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- 4 MAY 1955

MEMORANDUM FOR: Assistant Deputy Director (Support)

SUBJECT: Applicability to CIA of Allowance Provisions in Foreign Service Amendments of 1955 and Proposed Overseas Allowances Act of 1955

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REFERENCE: Memorandum to D/Pers from ADD/S dated 4 April 1955.  
Request for Evaluation of Agency Notice No. [REDACTED]  
"Allowances, Education Costs for Dependents of Employees Overseas," in Relationship to the Foreign Service Amendments of 1955, ER-6-8717

1. As a result of the passage of the Foreign Service Amendments of 1955, the authority for granting educational allowances and home transfer allowances to Foreign Service personnel has been incorporated into section 901(2) of the Foreign Service Act of 1946 and the authority for paying educational travel grants to the United States has been included in section 911(9) of the Act. The Central Intelligence Act of 1949 (P.L. 110) expressly authorizes the Director to grant allowances in accordance with the provisions of section 901(2) of the Foreign Service Act but does not refer to section 911 of the Act. The Deputy General Counsel has stated, however, that consideration should be given to adopting the policy of applying the provisions of the Foreign Service Act to all persons abroad who are compensated from unvouchered funds and that "in our opinion, authority resides in the DCI to approve such a policy." (Attachment A)

2. The Department of State has already taken action to implement section 901(2) pertaining to educational allowances by the issuance of Instruction OA-7196. (Attachment B) On 20 April 1955, the Department of State convened a meeting of representatives of interested agencies in order to inform them of the progress which has been made in implementing the educational allowance. The following observations are some of the highlights of the meeting:

a. No action has been taken to date to implement the authority for granting educational travel grants.

b. The General Accounting Office has advised that advance payments for educational purposes may not be made under the present law, and it will require paid bills to justify payments except for minor expenses, such as supplies and local transportation costs. Accordingly, the Department of State plans to make payments on a school semester basis upon presentation of receipts.

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c. The Department of Army representative assured the meeting that the Department could absorb increased attendance in its U.S. dependents' schools. There was some doubt expressed on this point, however, since the Department operates on a "space available" basis for dependents of Government employees other than military personnel.

d. The Department of State stated with regard to the new home transfer allowance that a refund will not be sought if the contemplated subsequent transfer overseas is not effected, in the interests of the Department.

3. If the proposed Overseas Allowances Act of 1955 were enacted, it would also authorize the Agency to pay educational and home transfer allowances. The provisions of the Foreign Service Amendments of 1955 and the proposed Overseas Allowances Act are similar, but the standard for granting educational travel grants to the U.S. is more rigorous in the Overseas Allowances Act, i.e., the employee concerned must have served in foreign areas five years or more.

4. It is recommended that the Office of Personnel initiate appropriate regulatory issuances, rescinding [ ] and adopting the educational and home transfer sections of the Foreign Service Act (as incorporated by the Foreign Service Amendments of 1955). It is further recommended that:

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a. The General Counsel specifically determine, prior to the preparation of such issuances, whether the Director's authority in P.L. 110 extends to the authorization of educational travel grants, as contained in section 911(9) of the Foreign Service Act.

b. If the General Counsel determines such authority does not reside in the Director, an amendment be sought to P.L. 110 authorizing the Director to adopt the provisions of section 911(9) of the Foreign Service Act.

c. Consideration be given to obtaining an amendment to P.L. 110 which would permit the advancement of funds for educational allowances.

d. The proposed regulatory issuance on educational allowances contain provisions for the granting of educational allowances to employees under non-official cover in areas of U.S. dependents' schools and to employees in areas where there are no other Governmental personnel.

Harrison G. Reynolds  
Director of Personnel

Attachments

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